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I SIMPLY DON'T UNDERSTAND THE LOGIC

Competition in America has always been the motivating factor that lowered consumers cost of doing business. Eliminating competition has the opposite effect, it raises their cost. Mortgage Brokers are responsible for 75% of all mortgage home loans closed. Consumers didn't pick brokers over banks because they paid more.

The mortgage crises was due to Fannie Mae, Freddie Mac, Government imposed lending requirements, unscrupulous Lenders and high unemployment. Hundreds of Lenders went out of business and not one of them called me up and said I was the problem.

RESPA contents that it's main objective is to protect consumers from unnecessary higher cost related to closing a loan. A have a neighbor with four children, without a job and unable to pay their bills. RESPA says I can't pay them a referral fee (say \$300) for a loan referral but it's OK if the mortgage broker associations across the country pay \$1,000's upon \$1,000's of dollars to hire lobbyist in order to try and convince politicians to do the right thing. I can tell you the cost of paying these lobbyist cost the consumer more than any \$300 referral fee.

Consumers basically only needed to know a few things about a loan request. Loan Amount, Term of loan, Interest Rate, closing cost and monthly payment. FIVE lines on a GFE and they could have compared every Lender/Broker in the country. Not three pages confusing material.

Eliminating YSP would destroy the broker business and those 75% who came to us are each going to pay more for future loans.

Alternatives:

You could consider capping YSP to say 3.5 or 4%. Adjustable Rate Mortgages and Pre-Payment penalties could be forbidden.

AARON MORTGAGE COMPANY
Daniel E Golden
President

Want Options? Choose Aaron!